

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

CINCPAC

USSAG

COGARD

XMT AMEMBASSY SUVA

UNCLAS STATE 232643

COGARD FOR POLAD

E.O. 11652 N/A

TAGS: PFOR, XC, US

SUBJECT: NOVEMBER 27 EA PRESS SUMMARY

INDOCHINA

1. MCARTHUR (LAT, NOV. 25) REPORTS FROM SAIGON THAT
DRV HAS JUST SENT CRACK NVA FIRST DIVISION INTO CORRIDOR
NORTH OF SAIGON TO JOIN ELEMENTS OF THREE OTHER DIVISIONS,
MAKING MOVE EARLIER PREDICTED BY MILITARY INTELLIGENCE
OFFICERS AS CURTAIN-RAISER TO MAJOR THRUST AGAINST
SVN CAPITAL. MAY BE SABER-RATTLING, CAUSED BY LOGISTICAL
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NECESSITY OR ATTEMPT TO LURE CORRESPONDING SHIFT
IN ARVN UNITS, BUT NEW PATTERN OF NVA MAJOR UNITS
WITH TANKS AND HEAVY GUNS POSES REAL THREAT. IF
UNITS ARE BUILT UP TO FULL STRENGTH, NVA WOULD HAVE

FORMIDABLE FORCE OF 40-50,000, WITH MORE AA UNITS
AND SAM MISSILES THAN EVER BEFORE, 100 MILES FROM
SAIGON.

2. NO GVN BOMB DAMAGE ASSESSMENT YET GIVEN FOR RETALIATORY
AIR STRIKES AGAINST KATUM AND THIEN NGON AIRFIELDS
IN TAY NINH PROVINCE, 70 MILES NW OF SAIGON. VC
CLAIM DOZENS KILLED AND HUNDREDS OF HOUSES DESTROYED
AT KATUM (REUTER, NYT, BALT. N-A). VC SPOKESMAN
SAYS PROTEST NOTE SENT TO GVN ABOUT "BARBARIC ACTS
OF BOMBING". IN ADDITION VC BOYCOTT MEETINGS WITH

GVN MILITARY NEGOTIATORS AND FPJMT, AND VC IN PARIS
ANNOUNCE BOYCOTT OF THURSDAY POLITICAL MEETING WITH
GVN (REUTER).

3. GVN COMMAND REPORTS FIGHTING IN ALL MILITARY
REGIONS DURING PAST DAY WITH 93 COMMUNIST C-F VIOLATIONS;
102 ARVN, COMMUNISTS AND CIVILIANS KIA (PHINQ; REUTER,
SUN) MILITARY SOURCES SAY FIFTH F-5 SHOT DOWN SINCE
C-F (REUTER, NYT). CLASHES REPORTED ALONG HUE DEFENSE
LINE. SKIRMISHES CONTINUE IN CENTRAL HIGHLANDS WHERE
ARVN PUSH TO REOPEN HIGHWAY 14 ALONG KHMER BORDER
STOPPED BY NVA BARRAGE SOUTH OF BU PRANG, AND IN
QUANG NGAI WHERE COMMUNIST ATTACK ARVN UNIT. SHELLINGS
AND SKIRMISHES CONTINUE IN DELTA (WP: REUTER SUN,
NYT).

4. ARVN SPOKESMAN SAYS COMMUNISTS HIT GVN POSITION
18 MILES NE OF SAIGON, NEAR BIEN HOA BASE, IN CLOSEST
ATTACK TO CAPITAL SINCE SEPT; 15 COMMUNIST AND 2
ARVN REPORTED KIA (WP; REUTER, SUN).

5. UPI NY QUOTES ANTI-WAR ACTIVIST CORA WEISS, RECENTLY
RETURNED FROM 4 WEEKS IN NVN AND VC AREAS OF SVN,
THAT SHE FOUND BUSTLING PIONEER SPIRIT AND SOCIETY-
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BUILDING EFFORTS SIMILAR TO ISRAELI KIBBUTZIM. TELLS
OF "US LEGACY" OF BOMB CRATERS, UNEXPLODED MINES,
AIRCRAFT HULKS AND BOMB FRAGMENTS THAT CUT FEET OF
CHILDREN AND HOOVES OF BUFFALO. PRG, SHE REPORTS,
HAS BEGUN RECONSTRUCTION PROGRAM, EVENING EDUCATION,
PRINTING NEW TEXTBOOKS, IS REAPING FIRST HARVEST
IN 7 YEARS, AND USING SALVAGED WAR SCRAP AS RAW MATERIAL.
VILLAGES ARE DIVIDED INTO COMMUNES AND DAY BEGINS
AT 5 A.M. WITH LOUDSPEAKER MUSIC AND EXERCISES.
AT HANOI SHE SAW HUNDREDS OF FOREIGNERS, NEW DIPLOMATIC
PERSONNEL FROM SEVERAL COUNTRIES. NVN, PRG AND LAO
OFFICIALS TOLD HER THAT "VIRTUALLY ALL" KNOWN US
POWS HAD BEEN RELEASED AND THEY HAD NO KNOWLEDGE
OF MIAS ON "LONG LIST" SUBMITTED BY USG (BALT. N-

A, NOV. 26).

6. US COURT OF APPEALS RULES THAT ARMY PROBE OF
MY LAI IS NOT A PUBLIC DOCUMENT. THIS BLOCKS ATTEMPT
BY REP. ASPIN TO FORCE GOVT. TO RELEASE PEERS REPORT
THAT LOOKED INTO QUESTIONS OF INADEQUATE INVESTIGATION
AND COVER-UP OF MASSACRE (WP).

7. HARWOOD AND JOHNSON, IN CHITRIB ARTICLE EXCERPTED
FROM THEIR BOOK "LYNDON", TELL OF LBJ'S OBSESSION
WITH VN THAT DIVIDED US, DROVE HIM FROM OFFICE, SHATTERED

HIS PARTY, BESMIRCHED HIS REPUTATION, AND MAY HAVE
DESTROYED "GREAT SOCIETY" FOREVER. THREAT OF WW
III PREVENTED MORTAL BLOW ON NVN BUT THREAT OF FURTHER
COMMUNIST AGGRESSION IN SEA PREVENTED WITHDRAWAL.
LBJ CHOSE FATAL COMPROMISE THAT CAUSED HIM TO LOSE
CONTROL OF EVENTS.

8. NYT CARRIES UPI PHOTO OF EMMET KAY, CIVILIAN
PILOT PRISONER OF PL, THAT WAS GIVEN TO CORA WEISS
BY PL AMBASSADOR IN HANOI. PICTURE SHOWS KAY AND
CAPTORS ON MAY 6, DATE OF HIS CAPTURE. PL CLAIM
KAY LOST WAY WHILE FERRYING RLG TROOPS OVER COMMUNIST
LINES AND RAN OUT OF FUEL.

9. GKR MILITARY SOURCES SAY FANK REPELLED 4 REBEL
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ATTACKS NEAR KOMPONG SPEU, WITH 7 FANK AND 32 REBELS
KIA (WP: BALT. N-A). FANK DRIVE TO REOPEN ROUTE
4 STALLED BY REBEL SHELLING; FANK CLASHES WITH REBELS
ON STILL-CLOSED ROUTE 5 (PHINQ). MARKHAM (NYT) ON
ROUTE 4 WRITES OF BLOODY, INCONCLUSIVE DAY IN FANK
DRIVE TO CLEAR THE VITAL ROAD TO KOMPONG SOM. REFUGEES
LEAVE THE AREA, SHELLING AND SNIPING GO ON, BUT NOTHING
SIGNIFICANT HAPPENS. GKR ORDERS 40 PERCENT CUT IN
GASOLINE AND DIESEL FUEL USE, WILL STRICTLY ENFORCE
RATIONING (PHINQ).

CHINA

10. JUST BACK FROM PRC AS MEMBER OF NCUSCT DELEGATION,
MANUFACTURERS TRUST CHAIRMAN GABRIEL HAUGE TOLD NY
PRESS LUNCHEON THAT CHINESE REGARD RESOLUTION OF
BLOCKED ASSETS AND CLAIMS ISSUE AS MORE IMPORTANT
THAN GETTING MFN TREATMENT. CHINESE EXPRESSED DISAPPOINTMENT
THAT ISSUE WAS NOT RESOLVED DURING HAK VISIT; DISCUSSIONS
ARE CONTINUING AND BOTH SIDES ANXIOUS TO RESOLVE
PROBLEM. ITS RESOLUTION WOULD OPEN UP POSSIBILITY
OF FURTHER US BANKING RELATIONSHIPS. CHASE MANHATTAN
HAS RELATIONSHIP WITH BANK OF CHINA, AND HANOVER

WOULD LIKE TO FOLLOW SUIT. IT HAD OFFERED TO PROVIDE GUARANTEE ON DOWN PAYMENT FOR BOEING JETS AND TO FINANCE GRAIN PURCHASES, BUT CHINESE WON'T CONSIDER SUCH TRANSACTIONS WITH ANY US BANK. HAUGE SAYS PRC IS CONCERNED OVER HEAVY US TRADE IMBALANCE (800 MILLION VS. 70-80 MILLION ESTIMATED FOR 1973) WHICH EXPECTED TO CONTINUE NEXT YEAR BECAUSE OF GRAIN AND AIRCRAFT SHIPMENTS. CHINA GENERALLY PAYS CASH (THANKS TO SURPLUSES ELSEWHERE, ESPECIALLY HK) BUT IS PREPARED TO DO SOME TRANSACTIONS ON DEFERRED PAYMENT BASIS.

AT PRESENT, WITH MOTTO "NO BORROWING, NO INFLATION AND NO DEVALUATION", PRC UNINTERESTED IN LONG-TERM CREDITS FROM INTERNATIONAL INSTITUTIONS, BUT FINANCIAL FLEXIBILITY WILL BE INTRODUCED AS NEEDED (WELLS, JOC). BRIEFER NYT AND SUN REPORTS SAY HAUGE DISCLOSED THAT A US CORPORATION WILL BUILD FIVE PLANTS IN CHINA WHICH HE BELIEVED WOULD BE IN FARM CHEMICAL FIELD, UNCLASSIFIED

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BUT CHINESE HAVE DRAWN TIGHT SECURITY VEIL AROUND THE DEAL. ON CHINESE LEADERS' PENCHANT FOR PERIODIC CULTURAL REVOLUTIONS, ACCORDING NYT, HAUGE DIDN'T "SEE HOW THEY CAN PLAN TRADE POLICY IF THEY ARE BENT ON HAVING PERIODIC UPHEAVALS."

11. NCUSCT ATTORNEY WALTER SURREY, IN TOKYO AFTER CHINA TRIP, SAID DELEGATION REACHED AGREEMENTS ON EXCHANGE OF TRADE EXHIBITIONS, SALES AND PURCHASING MISSIONS, AND TRADE, TECHNICAL AND ECON INFORMATION. PRC ALSO AGREED TO SEND OFFICIAL COMMERCIAL MISSION TO US NEXT YEAR. SURREY PARTICULARLY GRATIFIED AT PRC READINESS TO DISCUSS PROTECTION OF INDUSTRIAL PROPERTY RIGHTS INCLUDING PATENTS, TRADE MARKS AND COPYRIGHTS, INSURANCE CONTRACTS AND STANDARD CONTRACT CLAUSES. UNLIKE HAUGE (SEE ABOVE), SURREY SAID MFN STATUS IS OF PRIME CONCERN TO CHINESE. THEY SHOWED NO INTEREST IN LONG-TERM LOW INTEREST PAYMENTS BUT IF THEY CONTINUE TO DEVELOP IN AGRO-INDUSTRIAL FIELD, WILL NEED CREDIT AS WELL AS TECHNOLOGICAL HELP (AP, BALT. N-A, NOV. 26).

12. JOC'S STRAUSS FROM CANTON REPORTS US OILMEN HAVE RETURNED TO THE FAIR CONFIDENT OF EARLY SALES OF HIGH TECHNOLOGY EQUIPMENT TO PRC. THEY HAD BEEN CONFIDENT LAST SPRING THAT SALES WERE AROUND THE CORNER BUT ARE NOW TALKING OF YEAR TO 18 MONTHS, WHICH SEEMS CREDIBLE. SOME HAD FELT PRC WOULD INVITE US PARTICIPATION IN EXPLORATION, BUT CHINESE REITERATED TO NCUSCT DELEGATION THEIR POSITION THAT NEITHER US NOR JAPANESE WILL BE ALLOWED IN. PRC DOES SEEM TO BE INTERESTED IN HIGH TECHNOLOGY EQUIPMENT, PROBABLY

ON DEFERRED PAYMENTS BASIS, POSSIBLY BY PAYMENT IN OIL TO BE PUMPED. TWO US OILMEN HAVE BEEN NEGOTIATING WITH CHINESE, INCLUDING CHINA-BORN HARNED PETTUS HOOSE OF SMITH TOOL CO. STRAUSS SAYS ONLY CHINESE KNOW, AND THEY PROBABLY NOT FOR SURE, HOW MUCH OIL IS UNDER GROUND. BUT PRC HAS PURCHASED ONE JAPANESE DRILLING SHIP AND INQUIRING ABOUT TWO OTHERS. MEANTIME, TACHING OUTPUT IS INCREASING AND NEW SECTION OF EXPANDING AMMONIA PLANT IN CANTON WILL BE FUELED BY OIL RATHER
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THAN NEARBY SHALE OIL OR COAL.

13. NYT SPECIAL FROM MANILA REPORTS 11-MAN PRC TRADE MISSION DISCUSSED EXPANDED TRADE TIES IN MEETINGS WITH MARCOS AND TOP ADVISERS. "INFORMED SOURCE" SAID LATER THAT TALKS WOULD LEAD TO MORE SERIOUS DISCUSSIONS ON ESTABLISHING CONSULAR AND EVENTUALLY DIPLOMATIC RELATIONS. PRC GROUP HEADED BY "NONGOVERNMENTAL" CCPIT CHIEF WANG YAO-TING INCLUDES PRC FOREIGN TRADE MINISTRY OFFICIALS. NYT NOTES THAT FAVORABLE REPORTS OF PHIL GROUPS WHICH RECENTLY VISITED CHINA HAVE HAD SOME IMPACT. EDUCATORS REPORTED ON "LAUDABLE" EFFECT ON YOUTH OF PRC WORK-ORIENTED CURRICULUM, AND PHILS ARE TRYING OUT SOME FEATURES OF CHINA'S RURAL HEALTH PROGRAM.

JAPAN

14. TRIAL WALKOUTS BY LONGSHOREMEN SET FOR WEDNESDAY TO HIT ALL SEVEN MAJOR PORTS. SHOULD 24 HOUR STRIKE FAIL, PICKET LINES WILL PROBABLY FOLLOW THURSDAY AT FEW MAJOR PORTS TO PREVENT CONTAINER MOVEMENT OUT OF TERMINALS. STRIKE NOT SUPPOSED TO AFFECT FOREIGN SHIPS BUT UNION LEADERS SPEAKING IN PRIVATE SAY DELAYS MAY AFFECT THEM AS WELL (JOC). JAPAN AND USSR OPEN TWO DAY CONFERENCE TO PROMOTE COASAL TRADE ON JAPAN SEA (AFP, WP). SECTION OF NAHA SANK WHEN EARTH CAVED IN AT CONSTRUCTION SITE, DESTROYING 5 BUILDINGS (UPI, NYDN). MITSUBISHI DENIES NEWSWEEK REPORTS THAT COMPANY WAS SUPPLYING "SUPERTANK" TECHNOLOGY TO ARABS (WP).

15. STOCK PRICES RISE IN RESPONSE TO RESHUFFLE OF TANAKA CABINET. TOKYO EXCHANGE MOVED TO ENCOURAGE TRADING BY LOWERING DOWN PAYMENT REQUIRED FOR BUYING OF STOCKS (WSJ). AGREEMENT IN PRINCIPLE ON SALE OF 40 MIL POUNDS OF URANIUM OXIDE TO TOKYO ELECTRIC POWER CO. ANNOUNCED BY CANADA'S DENISON MINES LTD., FOR DELIVERY AT 4 MIL POUNDS A YEAR FROM 1984 THROUGH 1993 (WSJ). DUE TO ELECTRICITY AND OIL SHORTAGES, NIPPON LIGHT METAL CO. PLANS TO CUT ALUMINUM SHIPMENTS

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BY 20 PERCENT (WSJ)- USDA TOBACCO SPECIALIST SAYS JAPAN, US' SECOND BIGGEST TOBACCO CONSUMER, WILL REVERSE TREND OF RECENT YEARS AND SALES ARE LIKELY TO EXPAND SUBSTANTIALLY. PREDICTION BASED ON JAPANESE DEMAND FOR PRESTIGIOUS US PRODUCTS (UPI, JOC).

16. JAPAN'S EPA WARNS THAT TOKYO POPULATION MAY INCREASE ANOTHER 4.6 MIL BY 1985, WHICH WOULD PREVENT DISPERSE POPULATION SHOULD BE TAKEN NOW (JOC).
JOC TOKYO REPORTS INDUSTRIAL CENTRALIZATION, SHORTAGE OF STORAGE AND FREIGHT HANDLING FACILITIES HAVE CAUSED MASSIVE CARGO BACKLOGS IN JAPANESE FACILITIES. GOJ TRANSPORTATION MINISTER HAS URGED STEP UP IN PLANS TO RELOCATE INDUSTRIAL PLANTS AND PROGRAM TO REBUILD TRANSPORTATION SYSTEM. NIPPON STEEL AND TOKYO OPTICAL CO. HAVE DEVELOPED FIRST "LINESCOPE", CAPABLE OF MEASURING TEMPERATURE DISTRIBUTION AND CHANGE IN BREADTHWISE DIRECTION OF HOT ROLLED MATERIAL IN ROLLING PROCESS. KANMON BRIDGE, LONGEST IN ORIENT, IS OPEN TO TRAFFIC (JOC).

KOREA

17. AP REPORTS STUDENTS AT FOUR COLLEGES IN SEOUL PROTEST PARK GOVT SUPPRESSION AND DEMAND DISSOLUTION OF KCIA. 600 STUDENTS AT SUNGJON UNIVERSITY DEMAND RELEASE OF STUDENTS STILL UNDER ARREST (NYDN, WP, CHITRIB, NYT).

INDONESIA

18. RESPONDING TO RUMOR OF INDONESIAN PLEDGE OF OIL TO NETHERLANDS, FM MALIK CALLS IN ARAB DIPLOMATS TO ASSURE THEM OF SUPPORT FOR POLICY CURTAILING EXPORTS TO PRO-ISRAEL COUNTRIES (WP). AP REPORTS GOI PROHIBITION OF FOREIGN INVESTMENTS IN CONSUMER GOODS SUCH AS COSMETICS AND BEVERAGES TO SPUR DOMESTIC INVESTMENTS. FOREIGN INVESTMENTS WILL BE PERMITTED ON A TECHNICAL ASSISTANCE AND ROYALTY BASIS IN THESE AREAS HOWEVER. CHAIRMAN OF COORDINATING BOARD OF INVESTMENTS SAID, "IN FUTURE FOREIGN INVESTORS WILL BE ALLOWED ONLY
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TO SET UP PROJECTS IN PRODUCING UNFINISHED GOODS"
(WSJ).

THAILAND

19. SEC. GEN. SUNTHORN TOLD PRESS SEATO IS SCRAPPING MILITARY DETERRENT ACTIVITIES, BUT WOULD CONTINUE ADVISORY ROLE AND PROVIDE ECONOMIC AND SOCIAL ASSISTANCE PROGRAMS. CUTS IN MILITARY STAFF INCLUDE ABANDONMENT OF MILITARY REVIEWS OF MEMBER STATE DEFENSE NEEDS AND JOINT EXERCISES. ACCORDING SUNTHORN, "REORGANIZATION OF SEATO WHICH I PROPOSED IS ADEQUATE UNDER NEW SITUATION OF DETENTE..." (CHITRIB).

NEW ZEALAND

20. KIRK URGES DRIVERS TO SLOW DOWN AND USE PUBLIC TRANSPORT IN ORDER TO CUT CONSUMPTION OF GASOLINE BY 5 PERCENT (WP).

REAGAN MISSION

21. NYT ASSERTS THAT GOVERNOR REAGAN "APPEARS TO HAVE PARLAYER A MODEST CHARITY FUND-RAISING TRIP TO AUSTRALIA INTO A FULL-SCALE TAXPAYERS-PAID PRESIDENTIAL TRADE MISSION TO THREE EASTERN HEMISPHERE COUNTRIES." PARTY OF 14 INCLUDING WIFE AND HER PERSONAL HAIRDRESSER FLEW TO SYDNEY ABOARD USAF JET WHICH WILL CONSUME ABOUT 65000 GALLONS FUEL ON WHOLE TRIP. ADMIN OFFICIALS SAID GOV. HAD SOLICITED TRADE MISSION FROM PRESIDENT AFTER SAYING HE WAS GOING TO AUSTRALIA ANYWAY TO SPEAK FOR VICTORIA STATE RED CROSS. THUS PRIVATE TRIP HAS BECOME 12-DAY OFFICIAL MISSION THAT WILL INCLUDE INDONESIA AND SINGAPORE, "THOUGH US DIPLOMATS HAD NOT BEEN ABLE TO ARRANGE PROPER AUDIENCES" IN SINGAPORE AND JAKARTA.

COMMENT AND ANALYSIS

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22. HEARST'S KINGSBURY SMITH, EN ROUTE TO PEKING, QUOTES "HIGHLY AUTHORITATIVE SOURCES" THAT PRC ASSURED KISSINGER IT WILL PURSUE POLICY OF PATIENCE TOWARDS TAIWAN, INDICATED IT DOES NOT EXPECT US TO BREAK RELATIONS IN NEAR FUTURE WITH GRC, OR WANT US PROTECTION WITHDRAWN FROM TAIWAN AT PRESENT. PEKING HOPES TO FIND "PEACEFUL SOLUTION" AFTER CHIANG WHICH MAY INVOLVE SOME AUTONOMY FOR TAIWAN, POSSIBLY TURNING IT INTO ANOTHER "USEFUL" HONG KONG. BUT WHILE PROGRESS TOWARDS US-PRC NORMALIZATION WILL CONTINUE, PRC LEADERS MAINTAIN FORMAL DIPLOMATIC RELATIONS CANNOT COME SO LONG AS US RECOGNIZES CKS REGIME AS AN INDEPENDENT GOVERNMENT OF CHINA. SMITH SAYS PRC WOULD LIKE TO GET A SLICE OF THE BOOMING TAIWAN ECONOMIC PIE, AND PRC EXPORTS THROUGH HK HAVE JUMPED 250 PERCENT OVER 1972. PRES. MARCOS TOLD SMITH IN INTERVIEW HE

SHARES VIEW OF OTHER "FREE ASIAN LEADERS AND AMERICAN DIPLOMATS" THAT AFTER GIMO'S DEATH PEKING MAY TRY TO MAKE DEAL WITH CCK. SMITH CITES SEVERAL DEVELOPMENTS INDICATING PRC TACTICAL SWITCH SINCE TENTH PARTY CONGRESS, INCLUDING PUBLICATION IN PRC-FINANCED HK MAGAZINE OF TENTATIVE PLAN FOR PEACEFUL UNIFICATION UNDER WHICH TAIWAN WOULD ABANDON ARMED FORCES AND FOREIGN RELATIONS

AND RECEIVE AUTONOMOUS STATUS. UNTIL SUCH AGREEMENT REACHED, SAYS SMITH, PRC NOT PRESSING US TO RENOUNCE ALLIANCE WITH GRC BECAUSE IT DOES NOT WANT TAIWAN TURNING TO JAPAN OR USSR (BALT. N-A 11/26).

23. LAT'S ELEGANT (NOV. 25; PHINQ) DISCUSSES FLUIDITY OF ASIAN BALANCE OF POWER AND COUNSELS AGAINST OVERCOMMITMENT TO EITHER CHINA OR JAPAN, SINCE IT IS UNPREDICTABLE WHETHER IN THE LONG RUN CHINA'S POTENTIAL MILITARY MIGHT OR JAPAN'S PROLIFERATING ECONOMIC POWER WILL BE DECISIVE. IF WE OVER-COMMIT OURSELVES, "WE COULD BECOME LOCKED INTO NEW ALLIANCES AND HAVE LITTLE ROOM FOR MANEUVER." PRESCRIBES FOLLOWING AS HARD-HEADED, PRAGMATIC BALANCE-OF-POWER POLICY FOR THE US: "ACTING WITH OVERT MALICE UNCLASSIFIED

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TOWARD NONE AND ALL POSSIBLE AMICABILITY TOWARD ALL, THE UNITED STATES MUST AVOID EXCESSIVE COMMITMENT TO ANY."

24. FROM SAIGON, LAT'S MCARTHUR (NOV. 25) REPORTS THAT SVN EXPENDITURE OF US BOMBS, SHELLS AND JET FUEL IS STEADILY RISING WITH THE RISE IN FIGHTING LEVEL. VIETS AND AMERICANS IN SAIGON REFUSE TO GIVE FIGURES BUT PRIVATELY OFFICIALS ADMIT THE OBVIOUS - MORE SHOOTING REQUIRES MORE AMMO; AND ALL THE AMERICANS WILL SAY OFFICIALLY IS THAT MILITARY RESUPPLY IS CLEARLY PERMITTED UNDER PARIS ACCORD. TECHNICALLY, THE FLOW OF US MILITARY HARDWARE INTO SVN SHOULD BE MONITORED BY ICCS, BUT ITS MEMBERS HAVE NEVER BEEN ABLE TO ACHIEVE THE NEEDED UNANIMITY TO SET UP THE REQUIRED MACHINERY, THUS BLOCKING ANY PEEK AT US SHIPMENTS OR THE ESTIMATED 6,000 TONS MONTHLY WHICH NVN IS SHIPPING INTO SVN THROUGH DONG HA. WHILE US OFFICIALS SAY IT IS NOT US POLICY TO ANNOUNCE SPECIFIC AMOUNTS OF HARDWARE FURNISHED UNDER PENTAGON AID PROGRAMS, THEY ADMIT CONCERN OVER PRESENT RATE OF AMMO EXPENDITURE BECAUSE IT IS ONE MORE SIGN THAT THE C-F IS WEAKENING; FURTHERMORE, IT IS COSTLY - A SUBJECT ON WHICH US OFFICIALS ARE VERY TOUCHY RIGHT NOW.

25. LAT'S LESLIE (NOV. 25) IN PP DISCUSSES CONFUSED

THINKING ABOUT THE WAR AMONG PP OFFICIALS. RECALLS THAT WHEN LON NOL GOVT. WENT TO WAR IN MARCH 1970, IT PUBLISHED A PROPAGANDA POSTER THAT DREW ON CAMBODIAN MYTH TO DEPICT WAR AS RELIGIOUS AND NATIONALISTIC.

BUT AS MONTHS PASSED, MANY SOLDIERS REALIZED THAT THEIR ADVERSARIES WERE NOT ONLY VIETNAMESE, BUT ALSO, INCREASINGLY, FELLOW KHMER, AND THAT WHILE THE ARMY MIGHT HAVE ENJOYED THE SUPPORT OF BUDDHA, ITS COMMANDERS LACKED EVEN THE MOST FUNDAMENTAL KNOW-HOW AND SUFFERED ONE DEFEAT AFTER ANOTHER. NOW, THE POSTER ALSO SEEMS AN ANACHRONISM TO PP OFFICIALS AS MOST BEGAN TO REALIZE THAT EXCEPT FOR A FEW THOUSAND VIETNAMESE TROOPS, SOLDIERS WHO NOW OPPOSE THEM ARE UNCLASSIFIED

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CAMBODIANS. BUT THESE OFFICIALS OFTEN SEEM IMMOBILIZED BY THE IMPLICATIONS OF THIS FACT; THEY DO NOT UNDERSTAND WHY OTHER CAMBODIANS WOULD JOIN VIETNAMESE COMMUNISTS, BUT THEY DO KNOW THAT THEY ARE THREATENED BY THIS FORCE. CONSEQUENTLY, THE UNSPOKEN GKR GOAL INCREASINGLY SEEMS TO BE TO PRESERVE THE SOCIAL ORDER THAT EXISTED BEFORE THE WAR BEGAN. FOR A GENERATION, THAT SOCIETY OFFERED THESE OFFICIALS POSITIONS OF STATUS AND WEALTH, THE LATTER PARTLY DERIVED FROM CORRUPTION. UNABLE TO COME TO GRIPS WITH THE IDEA THAT THIS VERY CORRUPTION IS A MAJOR REASON FOR THE APPEAL OF THEIR ADVERSARIES, THEY ARE CONFUSED AND HELPLESS. AND IF THEY SOUND NAIVE WHEN THEY TALK ABOUT POLITICS, IT IS BECAUSE THEY HAVE A VESTED INTEREST IN MAINTAINING THEIR NAIVETE, SINCE TO UNDERSTAND THE DYNAMICS OF THE WAR IN CAMBODIA IS TO INVITE CHALLENGE TO THEIR OWN POSITIONS.

26. CSM'S POND IS TOKYO ANALYZES THE SIGNIFICANCE OF GOJ CABINET SHIFTS PRECIPITATED BY AICHI'S DEATH. CONSIDERS TANAKA'S APPOINTMENT OF HIS RIVAL FUKUDA TO THE KEY POST OF FINMIN A MEASURE OF OIL CRISIS SEVERITY. THE MOVE SEEMS CERTAIN TO FORCE A MORE CONSERVATIVE ECON POLICY ON GOJ, BUT IT MAY ALSO TRIP UP THE PM'S ELECTION STRATEGY FOR NEXT SPRING. OBSERVES FUKUDA LOSING NO TIME IN DOWNPLAYING TANAKA'S ECON POLICIES AND BOOSTING HIS OWN. HE HAS SAID PUBLICLY THAT PM'S HIGHLY TOUTED IDEA OF "REMODELING THE JAPANESE ARCHIPELAGO" IS JUST PERSONAL OPINION, NO GOVT. POLICY, AND POINTEDLY EMPHASIZED PRIORITY NEED TO CONTROL INFLATION AND RESTORE CONFIDENCE IN GOVT. NOTES THAT WHILE IN THE PAST YEAR FUKUDA'S BYWORD HAS BEEN THAT JAPAN MUST CONTROL PRICES ABOVE ALL ELSE AND AIM FOR STABLE RATHER THAN HIGH GROWTH, BY CONTRAST TANAKA HAS BELITTLED INFLATION AS A BY CONTRAST TANAKA HAS BELITTLED INFLATION AS A

LESS ECON DIFFERENCE BETWEEN TANAKA AND FUKUDA THAN
SEMI-PUBLIC ARGUMENTS WOULD IMPLY. OBSERVES THAT

STABLE VS. HIGH GROWTH IS A CONSTANT POLICY ISSUE
BETWEEN RIVAL LDP Factions, BUT NOTES THAT JAPANESE
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ECON POLICY IS DECIDED BY CONSENSUS - AND IS FORMULATED
BY BUREAUCRATS WHO ARE VIRTUALLY AUTONOMOUS FROM
POLITICIANS' DEBATES. CONSENSUS HAD ALREADY SWUNG
IN DIRECTION OF FURTHER RETRENCHMENT BECAUSE OF OIL
SHORTAGE AND INFLATION, BUT FUKUDA IS CLAIMING CREDIT
FOR IT. POND SEES TANAKA'S GRAND PLAN FOR DECENTRALIZA-
TION OF INDUSTRY AND POPULATION YIELDING TO MORE
URGENT NEED TO CURB INFLATION, GOVT. SPENDING FOR
SOCIAL OVERHEAD POSTPONED, AND PLANNED TAX CUTS
SCRAPPED. SAYS PM HAS BEEN COUNTING ON TAX CUT BEFORE
UPPER-HOUSE ELECTIONS NEXT SPRING TO TAKE STING OUT
OF INFLATION FOR VOTERS.

27. JOC'S CULLISON IN TOKYO REPORTS ANNOUNCED PLANS
BY FUKUDA TO CRITICALLY REVIEW FY 74 BUDGET.
ENVISIONS FUKUDA CURTAILING SIZE OF BUDGET, PERHAPS
EVEN BELOW EXPENDITURES FOR CURRENT FY, AS MEANS TO
CURB DOMESTIC DEMAND, WHICH NOW FAR ABOVE OUTPUT.
NOTES THAT TANAKA HAD HOPED TO RAISE NEXT FISCAL YEAR'S
BUDGET TO AT LEAST 62.5 BILLION DOLS AND TO PROVIDE
INCOME TAX CUTS TOTALING SLIGHTLY MORE THAN 7.1 BILLION
DOLS, BUT THINKS HIS CHANCES FOR DOING SO HAVE
DIMMED CONSIDERABLY, CITES SOME OBSERVERS AS FEELING
THAT WHILE THE BUDGET BATTLE BETWEEN PM AND FUKUDA
IS ONLY JUST BEGINNING, TANAKA WILL BE SUCCESSFUL
AT THE VERY LEAST IN INSURING THAT THE NEW BUDGET
WILL BE LARGER THAN THE PRESENT ONE, LARGEMLY
BECAUSE OF THE POLITICAL NECESSITY TO GRANT BIG WELFARE
BENEFITS TO PARTLY MATCH RISING LIVING COSTS.
CULLISON DETAILS COUNTER-MEASURES FUKUDA COULD BE
EXPECTED TO TAKE TO CURB INFLATION AND DEAL WITH OIL
CRISIS.

28. FROM SYDNEY, LAT'S LAMB (NOV. 23) REPORTS THAT
WHILE DRUG SEIZURES AND ARRESTS WILL REACH RECORD
HIGH IN AUSTRALIA THIS YEAR, IT SEEMS UNLIKELY THAT
THE COUNTRY WILL EVER EXPERIENCE THE NARCOTICS EPIDEMIC
THAT GRIPPED MANY OF THE WORLD'S YOUTH. BY COMPARISON,
NYC AUTHORITIES RECKON THEIR 8 MILLION RESIDENTS
INCLUDE 250,000 ADDICTS; US, WITH POPULATION 16 TIMES
LARGER THAN AUSTRALIA'S, HAS 205 TIMES MORE HEROIN
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ADDICTS. U OF SYDNEY PSYCHOLOGIST HASELTON CONCEDES THAT THERE IS A PROBLEM IN AUSTRALIA, BUT IT'S ALCOHOL. LAMB OBSERVES THAT MARIJUANA IS BECOMING MORE ACCEPTABLE AND THERE ARE SCATTERED MOVES TO LEGALIZE IT, BUT ATTRIBUTES RELATIVE REJECTION OF HARD DRUGS

TO AUSTRALIA BEING AN EASYGOING COUNTRY WITH FULL EMPLOYMENT AND FEW TENSIONS AND PRESSURES. GHETTOS AND POCKETS OF POVERTY ARE MICROSCOPIC; AND CONSERVATISM AND TRADITIONAL OUTLOOK ON MANY ASPECTS OF LIFE - INCLUDING THE PUB - LINGER. KISSINGER

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<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptoning: X
Capture Date: 11 MAY 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: ADS
Document Unique ID: 00
Drafter: EA/P:STAFF:PP
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
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Line Count: 554
Locator: TEXT ON-LINE
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 11
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 09 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09-Aug-2001 by reddocgw>; APPROVED <21-Aug-2001 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NOVEMBER 27 EA PRESS SUMMARY
TAGS: PFOR, XC, US
To: SAIGON INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
BIEN HOA
CAN THO
DANANG
HONG KONG
NHA TRANG
JEC PARIS

CINCPAC
USSAG
COGARD
XMT SUVA

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005